

The PATH way  
to the future

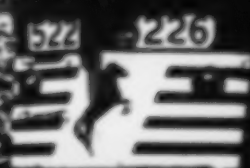
# RAILWAY AGE

Special Railways

Change in the '80s  
**A thoroughbred  
on the move**

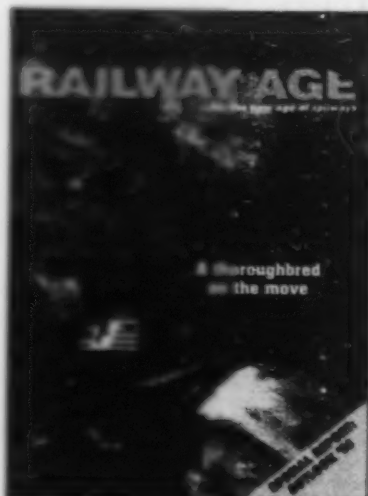
**SPECIAL REPORT:  
OUTLOOK '85**

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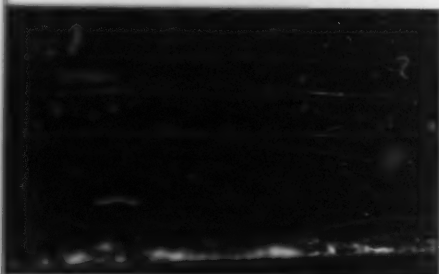


# RAILWAY AGE

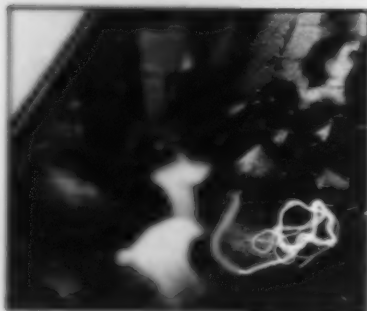
...for the new age of railways



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After over five years of construction, Buffalo Metro Rail has begun limited operations. Planners expect the new system to be a catalyst for downtown growth.

Published monthly by the Simmons Boardman Publishing Corporation, 345 Hudson St., New York, N.Y. 10014

USPS 449-130, Vol. 185, No. 12

Subscription rates to all railroad, rail rapid transit employees and industrial traffic department employees in the U.S. possessions, Canada and Mexico: \$12 one year, \$22 two years; all other countries \$35 one year. All other subscriptions in the U.S., Canada and Mexico: \$30 one year; all other countries: \$50 one year. All subscriptions payable in advance. Single copies \$2 plus postage and handling, except special issues. Copyrighted © 1984.

Address of subscriptions, change of address and correspondence concerning them to Subscription Dept., *Railway Age*, P.O. Box 530, Bristol, Conn. 06010.

Printed at Hughes Printing Co., 34 North Crystal St., East Stroudsburg, PA. 18301. Second Class postage paid at Bristol, CT. 06010 and additional mailing offices. POSTMASTER—SEND FOR US TO P.O. BOX 530, BRISTOL, CONN. 06010.

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## Inside

### A capital year—for some

What does it cost, in capital-outlay dollars, to keep a first-class railroad in first-class condition? Around \$35,000 to \$40,000 a route mile, the way we figure it, based on the evidence at hand.

To be more specific: Norfolk Southern, traditionally a heavy capital spender, will carry on in the old tradition in 1985 by investing around \$39,275 a route mile. Santa Fe will invest \$38,800 a mile, Conrail \$37,000, and the CSX roads \$34,000. Respectable figures all—and all of them representing substantial increases over 1984.

The '85 budgets add up to good news for suppliers in the track field, which again is getting the biggest share of investment dollars. On the equipment side, there's good news for locomotive builders; although most railroads have a big surplus of old diesel-electrics stored in serviceable condition, they are fast getting in line to buy the newer models that have been put onto the market by Electro-Motive and General Electric, simply because the new units are so much more efficient that railroads feel they can't afford *not* to buy them.

The new capital budgets provide for few, if any, new revenue cars. The picture is not really all that bleak, though. The activity in freight cars these days is coming mainly from utilities and private car lines—activity that is not reflected in railroad capital budgets—and the American Railway Car Institute is predicting an increase in both new orders and deliveries in 1985, though business will still fall far short of the halcyon days of the '70s.

Railroad and railroad-supplier prospects for the new year are covered in Senior Editor Gus Welty's '85 Outlook piece that starts on p. 35.

### Behind the scenes at Norfolk Southern

As indicated above, Norfolk Southern has so far emerged as the biggest capital spender of them all, mile for mile. Norfolk Southern's \$714.4-million capital program is more than \$200 million in excess of its 1984 program, and it provides new evidence of this efficiency-driven company's dedication to harnessing the latest available technology in a relentless effort to keep costs down and quality up. But a lot is going on at Norfolk Southern that is not reflected in stories that appear in the press about next year's capital budget or other newsworthy enterprises the company is engaged in—like buying a truck line or trying to buy Conrail. An account of some activities that Northern Southern is quietly engaged in that might be making tomorrow's transportation headlines is part of our cover story (p. 31)—another in our series of articles on Change in the '80s.



LUTHER S. MILLER

# Market Outlook

## Equipment

**Amtrak:** Ordered 10 new 3,000-hp F-40PH diesel-electric locomotives from the Electro-Motive Division of General Motors at a cost of \$13.4 million.

**BC Rail:** Ordered five SD40-2 locomotives from the Electro-Motive Division of General Motors for May 1985 delivery, at a cost of \$6.8 million (Canadian). The units will sport the same red white and blue as the railway's new electric locomotives, also supplied by EMD, instead of the traditional shades of green.

**Conrail:** Placed orders for 50 additional diesel-electric units—25 3,600-hp SD-50 units from Electro-Motive Division of General Motors, valued at \$32.5 million, and 25 3,750-hp C36-7 units from General Electric, also valued at \$32.5 million. • Conrail is acquiring 650 45-foot-long, 102-inch wide piggyback trailers valued at \$9 million. Earlier this year, the railroad spent \$3.4 million to lengthen 1,500 trailers from 40 feet to 45 feet.

**Norfolk Southern:** Plans to acquire 140 ballast cars in 1985. They will be similar to 126 cars with Morrison-Knudsen doors purchased this year.

**Ortner Freight Car Co.:** Received two new-car orders valued at \$21.9 million. Ortner will supply 150 flatcars to the U.S. Army for \$12.8 million, and 253 light-weight steel gondola cars to Wisconsin Electric Power Co. for \$9.1 million. Both orders are scheduled for mid-1985 delivery.

**Pullman Leasing:** Ordered 200 covered hopper cars with 5,820-foot capacity from the Pullman Standard Manufacturing Division of Trinity Industries. Designed for plastics resin service according to specifications of the Chemical Manufacturers Association, the cars are to be delivered in first-quarter 1985. They'll feature the latest version of Pullman Leasing's Micromatic 7 gate, designed for a

## Freight cars

|                          | DELIVERED    |            |              |               |              |
|--------------------------|--------------|------------|--------------|---------------|--------------|
|                          | October      | September  | Ten months   | 1984          | 1983         |
| Built new by carbuilders | 1,295        | 736        | 1,465        | 10,375        | 4,210        |
| Built new in RR shops    | 0            | 0          | 0            | 0             | 202          |
| Built new—total          | 1,295        | 736        | 1,465        | 10,375        | 4,412        |
| Rebuilt                  | 0            | 0          | 0            | 0             | 100          |
| <b>TOTAL DELIVERED</b>   | <b>1,295</b> | <b>736</b> | <b>1,465</b> | <b>10,375</b> | <b>4,512</b> |

|                                | ORDERED      |            |            |               |              |
|--------------------------------|--------------|------------|------------|---------------|--------------|
|                                | October      | September  | Ten months | 1984          | 1983         |
| To be built new by carbuilders | 1,422        | 642        | 775        | 13,778        | 4,806        |
| To be built new in RR shops    | 156          | 0          | 0          | 406           | 2            |
| To be built new—total          | 1,578        | 642        | 775        | 14,184        | 4,808        |
| To be rebuilt                  | 0            | 0          | 0          | 0             | 100          |
| <b>TOTAL ORDERED</b>           | <b>1,578</b> | <b>642</b> | <b>775</b> | <b>14,184</b> | <b>4,908</b> |

|                                | ON ORDER AND UNDELIVERED |              |                 |              |              |
|--------------------------------|--------------------------|--------------|-----------------|--------------|--------------|
|                                | Nov. 1                   | Oct. 1       | Average Backlog | 1984         | 1983         |
| To be built new by carbuilders | 5,493                    | 3,368        | 5,366           | 6,209        | 4,050        |
| To be built new in RR shops    | 406                      | 0            | 250             | 141          | 28           |
| To be built new—total          | 5,899                    | 3,368        | 5,616           | 6,350        | 4,078        |
| To be rebuilt                  | 0                        | 0            | 0               | 0            | 27           |
| <b>TOTAL ON ORDER</b>          | <b>5,899</b>             | <b>3,368</b> | <b>5,616</b>    | <b>6,350</b> | <b>4,105</b> |

Orders, Deliveries and Backlog include Estimates for Tank Cars  
Source: Transportation Div., AAR, and the American Railway Car Institute

## Locomotives (new and rebuilt)

| DELIVERED  |      |      | BACKLOG    |      |      |
|------------|------|------|------------|------|------|
|            | 1984 | 1983 |            | 1984 | 1983 |
| October    | 35   | 43   | November 1 | 189  | 128  |
| September  | 22   | 37   | October 1  | 207  | 158  |
| Ten months | 400  | 198  | Average    | 172  | 121  |

Source: Transportation Div., AAR

continuously variable range of product flow.

**Toronto Transit Commission:** Ordered 126 new rapid transit cars and 52 articulated light rail cars, valued at a total of \$282 million (Canadian), from Can Car Rail Inc. (details p. 67).

**Union Pacific System:** Is acquiring Trainlink end-of-train monitors from Pulse Electronics, 30 for Union Pacific Railroad and 65 for Missouri Pacific. Union Pacific System foresees operation of 95 cabooseless trains in the near future, following a recent ruling by a federal labor arbitrator.

## Facilities

**Chessie System Railroad:** Will spend \$9.8 million for a new intermodal terminal at East St. Louis, to be built in two phases. The first, scheduled to be in operation by third quarter 1985, includes two tracks each handling 30 cars under a 70-foot overhead crane, and two 15-car tracks for sideloading. The second, scheduled for 1988, will include more cranes, car spots and parking. Part of existing Chessie and Seaboard yards, the new piggyback terminals will be able to handle new-generation trailers and railcars.

# Market Indicators

## Investment trends

A dramatic shift in railroad capital-investment emphasis is illustrated in the accompanying table. It shows that investment in roadway and structures, which for many years accounted for about one-third of capital outlays, is now absorbing well over two-thirds—a trend that is continuing in 1984 and is expected to continue in 1985, though it will not be as pronounced as in 1983 when rolling stock expenditures dropped to a rock-bottom \$451 million. (Rolling stock includes cars, locomotives and cabooses. Roadway includes terminals, track, bridges and structures, classification yards and port terminals.)

|      | Rolling Stock Expenditures<br>(Millions of \$) | % of Total | Roadway & Structures<br>(Millions of \$) | % of Total |
|------|------------------------------------------------|------------|------------------------------------------|------------|
| 1980 | 1,342                                          | 39.5       | 2,040                                    | 59.5       |
| 1981 | 1,275                                          | 36.2       | 2,187                                    | 63.8       |
| 1982 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 1983 | 451                                            | 13.1       | 2,949                                    | 86.9       |
| 1984 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 1985 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 1986 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 1987 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 1988 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 1989 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 1990 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 1991 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 1992 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 1993 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 1994 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 1995 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 1996 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 1997 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 1998 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 1999 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2000 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2001 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2002 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2003 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2004 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2005 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2006 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2007 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2008 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2009 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2010 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2011 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2012 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2013 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2014 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2015 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2016 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2017 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2018 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2019 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2020 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2021 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2022 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2023 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2024 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2025 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2026 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2027 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2028 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2029 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |
| 2030 | 1,200                                          | 33.8       | 2,375                                    | 66.2       |

## Revenue freight carloadings

|                                 | Nov. 17<br>week | % change<br>from 1983 | Nov. 10<br>week | % change<br>from 1983 | Nov. 3<br>week | % change<br>from 1983 | Oct. 27<br>week | % change<br>from 1983 | Oct. 20<br>week | % change<br>from 1983 |
|---------------------------------|-----------------|-----------------------|-----------------|-----------------------|----------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|
| Commodity                       |                 |                       |                 |                       |                |                       |                 |                       |                 |                       |
| Coal                            | 31,070          | (9.5)                 | 27,416          | (7.9)                 | 29,482         | (12.3)                | 24,039          | (20.6)                | 22,819          | (24.7)                |
| Other fuel products             | 5,502           | 36.8                  | 6,770           | 34.5                  | 5,785          | 4.5                   | 4,745           | (15.6)                | 4,764           | (23.9)                |
| Chemicals                       | 14,230          | (14.1)                | 16,867          | (6.9)                 | 14,554         | (22.5)                | 13,396          | (24.4)                | 13,677          | (34.1)                |
| Food                            | 99,507          | (12.6)                | 105,124         | (3.9)                 | 99,399         | (12.3)                | 95,124          | (13.1)                | 94,579          | (17.5)                |
| Metals and alloys               | 12,653          | 15.3                  | 13,347          | 19.1                  | 13,399         | 19.4                  | 13,600          | 21.2                  | 13,977          | 23.4                  |
| Nonferrous metals               | 10,682          | (4.6)                 | 10,989          | (2.3)                 | 12,389         | 6.8                   | 12,212          | (8.4)                 | 11,111          | (13.3)                |
| Grain and products              | 10,161          | (3.5)                 | 10,657          | 2.7                   | 10,730         | (2.1)                 | 10,582          | (7.4)                 | 10,544          | (12.3)                |
| Textiles and apparel            | 10,686          | (7.4)                 | 11,210          | (1.4)                 | 11,712         | (3.4)                 | 11,283          | (7.7)                 | 11,176          | (9.4)                 |
| Primary forest products         | 13,530          | (10.6)                | 13,502          | (10.2)                | 13,537         | (12.3)                | 13,249          | (11.7)                | 13,134          | (11.8)                |
| Timber and wood products        |                 |                       |                 |                       |                |                       |                 |                       |                 |                       |
| Sawlogs                         | 7,100           | 0.2                   | 6,813           | (5.0)                 | 7,364          | 1.0                   | 7,197           | (8.7)                 | 7,270           | (1.5)                 |
| Softwood lumber and products    | 14,111          | (4.9)                 | 14,543          | (1.3)                 | 15,232         | 1.4                   | 15,034          | 0.6                   | 14,442          | (4.7)                 |
| Hardwood lumber and products    | 23,257          | (2.9)                 | 24,177          | (1.2)                 | 23,813         | (3.7)                 | 23,449          | (5.3)                 | 24,114          | (2.1)                 |
| Paper and allied products       | 4,876           | 0.2                   | 4,925           | 5.1                   | 4,518          | (7.8)                 | 4,563           | (3.8)                 | 4,647           | (3.1)                 |
| Other wood and allied products  | 10,629          | 1.4                   | 11,223          | (8.1)                 | 11,108         | (4.5)                 | 10,875          | (7.3)                 | 11,121          | (3.8)                 |
| Miscellaneous                   | 4,812           | (11.2)                | 5,077           | 0.2                   | 5,392          | 3.6                   | 4,963           | (4.2)                 | 4,904           | (0.7)                 |
| Leather and products            | 7,561           | (15.0)                | 8,124           | (2.5)                 | 8,792          | 1.0                   | 7,903           | (15.9)                | 8,004           | (9.5)                 |
| Rubber, plastics and synthetics | 21,256          | 5.5                   | 21,587          | 9.4                   | 20,467         | 5.1                   | 19,642          | (3.1)                 | 20,140          | 1.7                   |
| Glass and allied products       | 8,973           | (8.8)                 | 8,430           | (9.9)                 | 8,761          | (3.2)                 | 8,909           | (1.9)                 | 9,487           | 5.4                   |
| Stone, clay and allied products | 7,524           | (12.7)                | 7,827           | (11.1)                | 7,963          | (10.4)                | 7,960           | (11.2)                | 7,722           | (12.2)                |
| All other commodities           | 58,416          | 4.9                   | 60,586          | 8.1                   | 62,850         | 7.4                   | 62,425          | 3.8                   | 62,440          | 6.0                   |
| All other commodities           | 170             | (33.3)                | 145             | (44.4)                | 183            | (35.7)                | 195             | (25.6)                | 239             | (16.4)                |
| Total                           | 377,887         | (4.6)                 | 389,338         | (8.8)                 | 387,288        | (4.7)                 | 371,346         | (8.8)                 | 370,322         | (9.6)                 |

## Piggyback loadings

|                               | Cars<br>loaded | % increase<br>from 1983 | Trailers/<br>containers | % increase<br>from 1983 |
|-------------------------------|----------------|-------------------------|-------------------------|-------------------------|
| Week ended                    |                |                         |                         |                         |
| October 13                    | 56,425         | 14.6                    | 92,843                  | 7.5                     |
| October 20                    | 57,429         | 12.9                    | 93,461                  | 4.5                     |
| October 27                    | 57,122         | 10.1                    | 94,077                  | 2.4                     |
| November 3                    | 58,654         | 14.0                    | 96,362                  | 5.7                     |
| November 10                   | 57,247         | 17.8                    | 93,778                  | 8.7                     |
| Cumulative total,<br>45 weeks | 2,322,385      | 14.9                    | 3,987,807               | 13.1                    |

## Rail freight traffic trends

(Billion ton miles (Estimated))

